

RECORDATION NO. 27666

SEP 30 '08 -4 00 PM

SURFACE TRANSPORTATION BOARD

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ATTORNEYS AT LAW
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September 30, 2008

Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of September 30, 2008, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: National City Commercial Capital Company LLC
2720 Sugarloaf Club Drive
Duluth, Georgia 30097

Lessee: Dakota, Minnesota & Eastern Railroad Corporation
140 N. Phillips Street
P.O. Box 2360
Sioux Falls South Dakota 57104

Anne K. Quinlan, Esq.
September 30, 2008
Page 2

A description of the railroad equipment covered by the enclosed document is:

11 locomotives: DME 3830 – DME 3835, DME 6050 - DME 6052, DME 6054 and DME 6055.

and

54 locomotives within the series ICE 6400- ICE 6459 as more particularly set forth in the equipment schedule attached hereto.

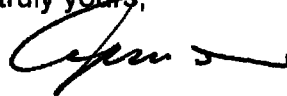
A short summary of the document to appear in the index is:

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

RECORDATION NO. 27666 ~~FILED~~

SEP 30 '08 -4 00 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of September 30, 2008

between

**DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION,
as Lessee,**

and

**NATIONAL CITY COMMERCIAL CAPITAL COMPANY, LLC,
as Lessor**

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of September 30, 2008, by and between NATIONAL CITY COMMERCIAL CAPITAL COMPANY, LLC ("Lessor") and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain locomotives described on Exhibit No. 1 attached hereto.

All of such locomotives are more fully described in that certain Railcar Lease Agreement dated as of December 22, 2004, as amended, and Schedule No. 7 thereto and incorporating the terms thereof, dated as of September 30, 2008 (together with all of the riders, schedules and other attachments thereto, collectively, the "Schedule No. 7"), each between Lessor and Lessee.

Schedule 7 shall be effective as of the date hereof and shall be subject to the term specified in Schedule 7, and any extension of such term to the extent provided for in the Schedule 7.

2. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain locomotives described on Exhibit No. 2 attached hereto.

All of such locomotives are more fully described in that certain Railcar Lease Agreement dated as of December 22, 2004, as amended, and Schedule No. 8 thereto and incorporating the terms thereof, dated as of September 30, 2008 (together with all of the riders, schedules and other attachments thereto, collectively, the "Schedule No. 8"), each between Lessor and Lessee.

Schedule 8 shall be effective as of the date hereof and shall be subject to the term specified in Schedule 8, and any extension of such term to the extent provided for in the Schedule 8.

3. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain locomotives described on Exhibit No. 3 attached hereto.

All of such locomotives are more fully described in that certain Railcar Lease Agreement dated as of December 22, 2004, as amended, and Schedule No. 9 thereto and incorporating the terms thereof, dated as of September 30, 2008 (together with all of the

riders, schedules and other attachments thereto, collectively, the "Schedule No. 9"), each between Lessor and Lessee.

Schedule 9 shall be effective as of the date hereof and shall be subject to the term specified in Schedule 9, and any extension of such term to the extent provided for in the Schedule 9.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

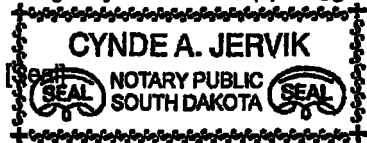
By: [Signature]
Name: Kurt V. Feaster, Sr. V.P.
Title: Chief Financial Officer & Secretary

NATIONAL CITY COMMERCIAL CAPITAL COMPANY, LLC

By: _____
Name: _____
Title: _____

STATE OF SOUTH DAKOTA)
COUNTY OF Minnehaha) ss.

On this 30 day of September, 2008, before me appeared Kurt V. Feaster, the person who signed this instrument, who acknowledged that (s)he is the CFO and Secretary of Dakota, Minnesota & Eastern Railroad Corporation and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.



Cynde A. Jervik
Notary Public

My commission expires:
July 15, 2012

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of September, 2008, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of National City Commercial Capital Company, LLC and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal] _____
Notary Public

My commission expires:

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

By: _____
Name: _____
Title: _____

NATIONAL CITY COMMERCIAL CAPITAL COMPANY, LLC

By: [Signature]
Name: John B. Lipstreu
Title: Vice President

STATE OF SOUTH DAKOTA)
) ss.
COUNTY OF _____)

On this _____ day of September, 2008, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of Dakota, Minnesota & Eastern Railroad Corporation and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Notary Public

My commission expires:

STATE OF Ohio)
) ss.
COUNTY OF Cuyahoga)

On this 30th day of September, 2008, before me appeared John B. Lipstreu, the person who signed this instrument, who acknowledged that (s)he is the Vice President of National City Commercial Capital Company, LLC and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

[Signature]
Notary Public

My commission expires:

Therese M. Woodman, Notary Public
State of Ohio - Cuyahoga County
My commission expires April 5, 2009

**EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT**

(Schedule No. 7)

DESCRIPTION OF RAILCARS AND REPORTING MARKS

Equipment Description	Model	Reporting Marks
Model #SD40-2 Locomotive	SD40-2	ICE6400
Model #SD40-2 Locomotive	SD40-2	ICE6401
Model #SD40-2 Locomotive	SD40-2	ICE6402
Model #SD40-2 Locomotive	SD40-2	ICE6403
Model #SD40-2 Locomotive	SD40-2	ICE6404
Model #SD40-2 Locomotive	SD40-2	ICE6405
Model #SD40-2 Locomotive	SD40-2	ICE6406
Model #SD40-2 Locomotive	SD40-2	ICE6407
Model #SD40-2 Locomotive	SD40-2	ICE6408
Model #SD40-2 Locomotive	SD40-2	ICE6409
Model #SD40-2 Locomotive	SD40-2	ICE6410
Model #SD40-2 Locomotive	SD40-2	ICE6411
Model #SD40-2 Locomotive	SD40-2	ICE6412
Model #SD40-2 Locomotive	SD40-2	ICE6413
Model #SD40-2 Locomotive	SD40-2	ICE6414
Model #SD40-2 Locomotive	SD40-2	ICE6415
Model #SD40-2 Locomotive	SD40-2	ICE6416
Model #SD40-2 Locomotive	SD40-2	ICE6418
Model #SD40-2 Locomotive	SD40-2	ICE6419
Model #SD40-2 Locomotive	SD40-2	ICE6420
Model #SD40-2 Locomotive	SD40-2	ICE6421
Model #SD40-2 Locomotive	SD40-2	ICE6422
Model #SD40-3 Locomotive	SD40-3	DME6050
Model #SD40-3 Locomotive	SD40-3	DME6051
Model GP38-3 Locomotive	GP38-3	DME3830
Model GP38-3 Locomotive	GP38-3	DME3831
Model GP38-3 Locomotive	GP38-3	DME3832

**EXHIBIT NO. 2
TO MEMORANDUM OF LEASE AGREEMENT**

(Schedule No. 8)

DESCRIPTION OF RAILCARS AND REPORTING MARKS

Equipment Description	Model	Reporting Marks
Model #SD40-2 Locomotive	SD40-2	ICE6423
Model #SD40-2 Locomotive	SD40-2	ICE6424
Model #SD40-2 Locomotive	SD40-2	ICE6426
Model #SD40-2 Locomotive	SD40-2	ICE6427
Model #SD40-2 Locomotive	SD40-2	ICE6428
Model #SD40-2 Locomotive	SD40-2	ICE6429
Model #SD40-2 Locomotive	SD40-2	ICE6430
Model #SD40-2 Locomotive	SD40-2	ICE6431
Model #SD40-2 Locomotive	SD40-2	ICE6432
Model #SD40-2 Locomotive	SD40-2	ICE6433
Model #SD40-2 Locomotive	SD40-2	ICE6434
Model #SD40-2 Locomotive	SD40-2	ICE6436
Model #SD40-2 Locomotive	SD40-2	ICE6437
Model #SD40-2 Locomotive	SD40-2	ICE6439
Model #SD40-2 Locomotive	SD40-2	ICE6440
Model #SD40-2 Locomotive	SD40-2	ICE6441
Model #SD40-2 Locomotive	SD40-2	ICE6442
Model #SD40-2 Locomotive	SD40-2	ICE6443
Model #SD40-2 Locomotive	SD40-2	ICE6444
Model #SD40-2 Locomotive	SD40-2	ICE6445
Model #SD40-2 Locomotive	SD40-2	ICE6446
Model #SD40-3 Locomotive	SD40-3	DME6052
Model #SD40-3 Locomotive	SD40-3	DME6054
Model GP38-3 Locomotive	GP38-3	DME3833
Model GP38-3 Locomotive	GP38-3	DME3834

**EXHIBIT NO. 3
TO MEMORANDUM OF LEASE AGREEMENT**

(Schedule No. 9)

DESCRIPTION OF RAILCARS AND REPORTING MARKS

Equipment Description	Model	Reporting Marks
Model #SD40-2 Locomotive	SD40-2	ICE6448
Model #SD40-2 Locomotive	SD40-2	ICE6449
Model #SD40-2 Locomotive	SD40-2	ICE6450
Model #SD40-2 Locomotive	SD40-2	ICE6451
Model #SD40-2 Locomotive	SD40-2	ICE6452
Model #SD40-2 Locomotive	SD40-2	ICE6453
Model #SD40-2 Locomotive	SD40-2	ICE6454
Model #SD40-2 Locomotive	SD40-2	ICE6456
Model #SD40-2 Locomotive	SD40-2	ICE6457
Model #SD40-2 Locomotive	SD40-2	ICE6458
Model #SD40-2 Locomotive	SD40-2	ICE6459
Model #SD40-3 Locomotive	SD40-3	DME6055
Model GP38-3 Locomotive	GP38-3	DME3835

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

9/30/08



Robert W. Alvord